

ABSTRACT OF THE DISCLOSURE

A method and apparatus for determining an incremental cost of insurance for the operation of a motor vehicle and billing the same to an operator of the vehicle. The system uses an internal system for determining one or more operational factors associated with the vehicle, such as its geographic location, speed, acceleration, etc, in at least near real time, and recording the information in a database. From this information incremental insurance cost information is determined relating to the cost of insuring the vehicle for a predetermined time during, for example one day. The insurance cost information is transmitted to a contracting company, which may comprise an underwriting company responsible for providing the insurance coverage for the vehicle. The invention makes it possible for an operator to better gauge how driving habits and/or usage of the vehicle affect the cost of the insurance, as well as providing insurance companies with near real time information from which even more accurate determinations of risk can be made, and insurance costs to the operator adjusted accordingly.